Losses suffered by Oil PSUs

1569. DR. M. A. M. RAMASWAMY:
DR. ALLADI P. RAJKUMAR:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Indian Oil Corporation has registered a net loss of Rs. 5.83 crores for the third quarter of the current financial year;

(b) whether it is also a fact that last year during the same period there was a huge profit;

(c) the reasons for the sudden loss in the Navratna PSUs;

(d) what effort have been made to arrest the loss; and

(e) whether other oil PSUs have also registered loss?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Yes, Sir.

(b) Yes, Sir. During the third quarter of last year, the net profit earned by the Indian Oil Corporation Limited was Rs. 1286.76 crore.

(c) Losses suffered by the companies are mainly attributable to huge under-recoveries on sale of Petrol, Diesel, PDS Kerosene and Domestic LPG, consequent to non-revision in retail selling prices of these products in line with international prices.

(d) Government has gradually reduced and eliminated both customs and excise duty on PDS kerosene and domestic LPG. The customs duty on kerosene and LPG has been reduced from 10% in March 2004 to nil currently. The excise duty on Kerosene and LPG has been reduced from 16% in March 2004 to nil currently.

Government has gradually reduced the customs duty on petrol and diesel. In March 2004, the customs duty on petrol and diesel was reduced from 20% to 10%. The *ad valorem* component to excise duty on petrol and diesel has also been reduced, considering the impact of prices on transportation sector. *Ad valorem* excise duty for diesel has been reduced from 14% in March 2004 to 8%. For petrol, the reduction has been larger from 30% in March 2004 to 8% at present. This has partly offset the volatility in prices.

The Government has also decided to issue interest-bearing oil bonds worth Rs. 11,500 crores to oil marketing companies during this financial year in view of the losses suffered by them in marketing sensitive petroleum products. The bonds will be distributed among the oil marketing companies in proportion to the losses suffered by them.

(e) Yes, Sir. The other oil marketing PSUs *viz.* BPCL, HPCL & IBP Co. Ltd. have also suffered losses during the same period.

Joint-venture Gas Exploration Projects

1570. SHRIMATI SUKHBUNS KAUR:
SHRI KALRAJ MISHRA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Gas Authority of India Ltd. (GAIL) and Hindustan Petroleum Corporation Ltd. (HPCL) propose to undertake joint gas exploration projects in Madhya Pradesh, Rajasthan and Gujarat;

(b) if so, the oil and gas bearing blocks identified for the purpose;

(c) the estimated storage of gas available there;

(d) the progress made in this regard so far; and

(e) whether the joint venture also propose to undertake such gas exploration projects in Assam, Tripura and other States in North Eastern Regions, if so, the steps taken in this regard so far?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (e) Hindustan Petroleum Corporation Limited (HPCL) and Gas Authority of India Limited (GAIL) have signed a Memorandum of Understanding on 16th November, 2005, which provides for jointly pursuing upstream opportunities in India and overseas. Under New Exploration Licensing Policy (NELP), any company including HPCL and GAIL would be required to participate in open competitive bidding to get exploration blocks anywhere in the country. Therefore, until the fresh blocks are actually awarded, there can be no firm proposal for undertaking exploration in States of Madhya Pradesh, Rajasthan, Gujarat, Assam, Tripura and any other State in the country.